Download the Water Protection and Reinvestment Act Briefing (Powerpoint 2007)

The Problem:

America's crumbling water infrastructure is posing serious public health and security risks that can no longer afford to go unaddressed. The American Society of Civil Engineers (ASCE) has given our nation's drinking water and wastewater infrastructure a grade of "D-" in their 2009 report card
. The Environmental Protection Agency (EPA)'s most recent
Clean Water and Drinking Water Infrastructure Gap Analysis
estimates a $534 billion gap between current investment and projected needs over the next 20 years. Last year alone, American communities suffered more than 240,000 water main breaks and saw billions of gallons of overflowing combined sewer systems, causing contamination, property damage, disruptions in the water supply, and massive traffic jams. According to ASCE, an average of six billion gallons of potable water is lost per day in the US because of leaky pipes. This is enough to fill nearly 9,091 Olympic-sized swimming pools!

The Solution:

Our nation's water infrastructure needs have grown while federal funding for clean water has declined. While the needs are estimated to be over $25 billion a year, appropriations for water infrastructure have averaged just over $2.3 billion a year since 2000. This pushes more and more costs on local governments and ratepayers, whose rates have grown at twice the rate of inflation in recent years. We need new sources of revenue to meet our communities' water infrastructure and environmental restoration needs. Similar dedicated funding is available for our nation's transportation systems – it's time to establish a trust fund to finance water infrastructure.

Congressman Blumenauer has introduced H.R. 3202, the Final Water Protection and Reinvestment Act to provide a deficit-neutral, consistent and protected source of revenue to help states replace, repair, and rehabilitate critical drinking water and wastewater treatment facilities. The Trust Fund will be financed by those who contribute to water quality problems and those who use our water systems. It would assess a number of small fees on a broad base of those who use water and contribute to water pollution. The fees are designed to be collected at the manufacturer level, so any increased costs to consumers will be minimal. In fact, it will help ratepayers by insulating them from spikes in water bills that will result if nothing is done to address the infrastructure crisis. These revenue sources were analyzed in a recent Government Accountability Office report and are expected to raise at least $10 billion a year.

4 cent per container excise tax on water-based beverages . These products rely on drinking water as their major input and result in both increased flows and increased waste in our waters.

3% excise tax on items disposed of in wastewater , such as toothpaste, cosmetics, toilet paper and cooking oil. These products wind up in the water stream and require clean up by sewage treatment plants.

0.5% excise tax on the pharmaceutical industry . Pharmaceutical residues found in our nation's water bodies are an increasing concern for clean and drinking water utilities. A small fee on the industry will support efforts to prevent pharmaceuticals from entering water systems and research into remediation.

0.15% tax corporate profits over $4 million . All corporations use drinking and wastewater infrastructure and depend on it functioning to conduct their business. A similar tax was used to fund the Superfund program until it expired in 1995.

How the Water Infrastructure Crisis Impacts You:

Local businesses and citizens already pay 90 percent of the total cost to build, operate, and maintain the nation's water and wastewater systems.

At a time when America's economy is hurting, saddling ordinary citizens with the full cost of repairing systems built decades ago makes little sense. If nothing is done now, by 2013 – just four years from now – average water service charges for a single-family will increase 34 percent.

In some communities, especially small, rural, low-income, or older shrinking urban communities, economic hardships would be significantly more acute than the average. In some communities, costs would run as high as $10,000 a household.

Instead of asking ratepayers to shoulder the full cost of repairing America's water infrastructure, a steady source of federal funding is needed. Similar dedicated funding is available for our nation's transportation systems – now it is time to establish a trust fund to finance water infrastructure.

The Water Protection and Reinvestment Act Will:

Protect public health by providing the funding communities need to provide safe drinking water and sewer service.

Restore the environment by providing incentives for green infrastructure that reduces energy use and withstands the impacts of global warming.

Create jobs by investing in projects to repair and replace aging systems. A $10 billion investment would create between 200,000 and 267,000 new jobs in engineering, construction and other industries.

Reduce pollution by decreasing the number and severity of combined sewer overflows, increasing funds for state environmental restoration efforts and reducing the amount of pharmaceuticals in our water supply.

Supporters:

American Public Works Association
American Rivers
National Association of Clean Water Agencies
Clean Water Action
Associated General Contractors
American Society of Civil Engineers
Water and Sewer Distributors of America
Rural Community Assistance Partnership

Coalition for Alternative Wastewater Treatment
Clean Water Network
National Utility Contractors Association
Alliance for Water Efficiency
Water Innovations Alliance
Oregon Department of Environmental Quality
Association of State Floodplain Managers

Co-Sponsors

Rep Dicks, Norman D. [D-WA-6] - 7/14/2009 *
Rep LaTourette, Steven C. [R-OH-14] - 7/14/2009 *
Rep Petri, Thomas E. [R-WI-6] - 7/14/2009 *
Rep Simpson, Michael K. [R-ID-2] - 7/14/2009 *
Rep Capps, Lois [D-CA-23] - 9/29/2009
Rep Cummings, Elijah E. [D-MD-7] - 9/10/2009
Rep Edwards, Donna F. [D-MD-4] - 7/16/2009
Rep Farr, Sam [D-CA-17] - 7/21/2009
Rep Grijalva, Raul M. [D-AZ-7] - 7/31/2009
Rep Hinchey, Maurice D. [D-NY-22] - 7/21/2009
Rep Johnson, Henry C. "Hank," Jr. [D-GA-4] - 7/21/2009
Rep Kilpatrick, Carolyn C. [D-MI-13] - 7/21/2009
Rep Kucinich, Dennis J. [D-OH-10] - 9/29/2009
Rep Napolitano, Grace F. [D-CA-38] - 7/16/2009
Rep Schakowsky, Janice D. [D-IL-9] - 7/16/2009
Rep Wexler, Robert [D-FL-19] - 7/24/2009
Rep Whitfield, Ed [R-KY-1] - 7/21/2009
Rep. Steve Kagen [D-WI-08] – 10/06/09
Rep. Don Young [R-AK] 10/20/09

* Original co-sponsors

Statements of Support:

“I’m pleased to be an original cosponsor of Rep. Blumenauer’s legislation, which will create a long overdue funding source for our deteriorating water infrastructure,” **said Congressman Steve LaTourette.** “The

EPA has stated that in Ohio alone $22 billion will be needed over the next 20 years to repair drinking water and waste water infrastructure. This bill addresses these needs that exist across the country which currently leave local taxpayers with the bill."

"It is no secret to the people of Wisconsin that our aging wastewater infrastructure is increasingly being overwhelmed," **said Congressman Tom Petri.** "Last month as a result of rain, nearly 1 billion gallons of untreated sewage and storm water spilled out of Milwaukee-area sanitary and storm sewers into local rivers and Lake Michigan. Milwaukee is only a local example. The problem of inadequate and crumbling wastewater facilities is urgent and nationwide. The Wastewater Protection and Reinvestment Act is greatly needed if we are to have both reliable drinking water and wastewater treatment."

"Municipalities face serious challenges in meeting their clean water goals, including a growing population; aging infrastructure; increased regulatory requirements with stepped-up enforcement from EPA; and global competition driving up the cost of labor and materials," **said Tom Walsh, who spoke on behalf of the National Association of Clean Water Agencies (NACWA).**
"We believe a clean water trust fund, such as the one that would be created by Congressman Blumenauer's bill, is critical to ensuring communities can continue to meet their Clean Water Act obligations."

"Every day we rely on seemingly invisible water and wastewater systems to support our quality of life and the nation's economy, and yet they suffer from inattention and underfunding," **said American Society of Civil Engineers president D. Wayne Klotz.**
"A long-term, dedicated funding source, like the one proposed by Congressman Blumenauer, will go a long way in ensuring that these vital systems can continue to support the health and safety of the American people."

"A new economic study by the Clean Water Council demonstrates that water and wastewater projects generate tens of thousands of living-wage jobs, substantially increase demand for goods and services, and expand local tax bases," **said Bill Hillman, CEO of the National Utility Contractors Association.**
"A long-term, self-sustaining and dedicated wastewater infrastructure trust fund would go a long way to reduce the structural investment gap that is creating an environmental crisis."

“We are at a transformational moment. The same old 19th and 20th century approaches to water management simply aren’t fit for the challenges of this century,” **said Rebecca Wodder, president of American Rivers.**
“It is time to embrace a 21st century approach to water that integrates green solutions, recognizes changing climatic conditions, and helps ensure community safety and security. By supporting smart water infrastructure investments, the Trust Fund will help ensure a future of clean water for generations to come.”

"In recent years funding for water infrastructure has suffered from neglect and misplaced priorities,” **said Mitch Jones, Senior Legislative and Policy Analyst for Food & Water Watch.** “Even with the increases already approved by Congress, we will fall woefully short of our nation's need this year. We can't afford to rely on the whims of Congress and the change of administrations to guarantee the safety of our infrastructure. That's why we need a Water Protection and Reinvestment Fund."

“Communities in rural America desperately need this type of comprehensive and sustainable program that not only supports vital water and wastewater infrastructure, but also serves to improve public health and the prospect for future economic development opportunities,” **said Rural Community Assistance Partnership Executive Director Robert Stewart.**
“By providing a dedicated funding source, using existing delivery systems, and requiring a high level of responsibility and accountability from the utility recipients, the ’Water Protection and Reinvestment Act’ will help ensure that this generation and those that follow us will be guaranteed safe, affordable and dependable water and wastewater services for their families and for future economic growth.”

How The Funding Will Be Distributed:

Clean Water Act Funding: Almost half of the funding would be distributed as grants and loans through the existing Clean Water State Revolving Loan Fund (CWSRF). These funds are grants used to capitalize state funds, which then provide loans to publicly owned treatment works for wastewater treatment construction to meet CWA requirements and provide sewage services. The CWSRF would be modernized, consistent with recent legislation passed by the House. The bill would provide additional incentives for green infrastructure and water efficiency as well as provide funding for state efforts to prevent and control pollution. It would require states to

provide some of the funding in the form of grants. Additional assistance would be made available for technical assistance to small wastewater treatment facilities.

Safe Drinking Water Act Funding: Over one-third of the funding would be distributed as loans through the Safe Drinking Water Act State Revolving Loan Fund (DWSRF). Similar to CWSRF funds, these are used by states to provide loans to public water systems for expenditures to facilitate compliance with drinking water regulations and to protect public health. Changes would be made to modernize the DWSRF and provide technical assistance to small communities consistent with the recent authorization passed by the Senate Environment and Public Works Committee. In addition, funds would be targeted towards larger systems with the worst infrastructure problems. Additional incentives for environmental and fiscal sustainability would be added.

Additional Programs

The remaining funding would support a number of new programs, including:

Security Upgrades: Grants to states, municipalities, publicly owned treatment works, and community drinking water systems for capital projects to increase security to update a vulnerability assessment, emergency response plan, or site security plan required under the SDWA or any other applicable law. This will help offset the costs of new security requirements currently under consideration in House committees.

Climate Change and Adaptation: Grants to support efforts by water systems to take actions to increase energy and water efficiency, reduce greenhouse gas emissions, an increase resilience to the impacts of climate change.

Sewer Overflow Control: Funding for an existing program to help states and local communities address sewer overflows. This is a growing problem in which untreated sewage is released into the environment, contaminating our nation's waters, degrading water quality and exposing humans to viruses and other pathogens that can cause serious illness. The EPA estimates that more than 850 billion gallons of untreated wastewater and storm water are released each year into U.S. waters.

Research, Development, and Technology Demonstration: A new research program within the EPA to develop, demonstrate, and transfer innovative or improved technologies and methods for the treatment, control, transport, and reuse of drinking water and wastewater. It would also create a new system of regional university research centers, based on the successful transportation research centers, to conduct strategic research, education, and outreach for sustainable management of water resources.

Workforce Development: Funding for existing programs under the CWA and SDWA to provide support for operator training, undergraduate and graduate environmental engineering and natural sciences to ensure that a stable labor force exists to operate and manage water and wastewater treatment utilities.

Drug Take-Back: A new competitive grant program to support state, local, tribal, and non-profit drug take-back programs to help reduce the presence of pharmaceuticals in water.

Cost of Service Study: The National Academy of Sciences would study the means by which public water systems and treatment works meet the costs associated with operations, maintenance, capital replacement, and regulatory requirements. This will help the EPA, Congress, and water facilities determine what new approaches might assist in meeting water needs.

Frequently Asked Questions:

Why should the federal government be responsible for local water infrastructure?

Like roads, schools, and bridges, water infrastructure is primarily a local responsibility. But like roads, schools, and bridges, the Federal government provides some financial support to local communities to maintain their pipes, sewers, and roadways, which is a matter of protecting public safety and ensuring economic stability

For years, the federal government has provided funding to State Revolving Loan Funds, money that the state then lends out to local water utilities to protect and maintain clean and safe drinking water. Unfortunately, this funding is not adequate to meet state needs, and it is only a small fraction of the money spent on water infrastructure.

Water utilities collect about $60 billion dollars a year from ratepayers while the federal government provides about $2 billion a year in funding. In short, the burden of paying for water infrastructure falls on the shoulders of ratepayers, and if nothing is done to change the system, ratepayers will have to pay more and more for the water they use to maintain America’s pipes and sewer system. The trust fund created by the Water Protection and Reinvestment Act would help relieve ratepayers by providing an additional $10 billion a year for water security.

Should ratepayers just pay more?

Local citizens and private businesses already pay 90 percent of the total cost to build, operate, and maintain the nation's water and wastewater systems. While the nation's water infrastructure needs are estimated to be over $25 billion a year, the federal government has averaged its spending at just over $2.3 billion a year since 2000. This pushes more and more costs on local governments and ratepayers, whose rates have grown at twice the rate of inflation in recent years. At a time when America's economy is hurting, saddling ordinary citizens with the full cost of repairing systems built decades ago makes little sense. If nothing is done now, by 2013 – just four years from now – average water service charges for a single-family will increase 34 percent.

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Who would pay and why?

A Water Trust Fund – financed broadly by fees on such things as bottled beverages, products disposed of in wastewater, and pharmaceuticals – would provide the long-term, sustainable source of revenue we need to ensure economic prosperity and protect the health of people and the environment. It would also minimize the costs average citizens would have to absorb.

The Water Protection and Reinvestment Act would assess a number of small fees on a broad base of those who use water and contribute to water pollution. The fees are designed to be collected at the manufacturer level, so any increased costs to consumers will be minimal. These revenue sources were analyzed in a recent Government Accountability Office report and are

expected to raise at least $10 billion a year:

• 4 cent per container fee on water-based beverages: These products rely on drinking water as their major input and result in both increased flows and increased waste in our waters.
• 3% fee on items disposed of in wastewater, such as toothpaste, cosmetics, toilet paper and cooking oil: These products wind up in the water stream and require clean up by sewage treatment plants.
• 0.5% fee on pharmaceutical products: Pharmaceutical residues found in our nation's water bodies are an increasing concern for clean and drinking water utilities. A small fee on the industry will support efforts to prevent pharmaceuticals from entering water systems and research into remediation.
• 0.15% fee corporate profits over $4 million. All corporations use drinking and wastewater infrastructure and depend on it functioning to conduct their business. A similar tax was used to fund the Superfund program until it expired in 1995.

How will we be able to afford these new fees?

Because the fees are set at a low level, they will have a very small impact on the cost of products – much lower than the cost of inaction that would send individuals' water bills through the roof.

The product fees from the Water Protection and Reinvestment Act are based on a percentage of the price that the manufacturer sells the product for, which is much lower (sometimes about half) the retail price. This means that the impact on retail prices will be minimal. The corporate fee in the bill is equal to the price of a pizza on every $10,000 of corporate profits over $4 million a year. The first $4 million in profits are not counted towards the fee to ensure that small and many medium size businesses don't have to pay the fee. Overall the Trust Fund will raise approximately $10 billion a year, which is about $33 a year for every American – much less than the water bills they would otherwise have to pay.

Will more money alone fix the problem?

While there is a clear need to invest more in water infrastructure, money alone will not solve the water infrastructure problem. Water utilities need to invest in nonstructural solutions, reduce energy costs and engage in long term asset planning. Many utilities are doing just that, and the Trust Fund is designed to support these innovative utilities and encourage others to follow their lead. In fact, $500 million dollars of the Trust Fund will fund the research, development and deployment of new technologies to improve utility service and reduce long term costs to both industry and ratepayers.

How is this money spent? Does it create a lot of new government programs?

No, this will not expand government involvement; it will simply provide steady and needed funding for already existing programs. More than 90% of the money will be spent through existing programs:, and over 80% of the money will be distributed from the EPA to States under existing formulas through the Clean Water and Safe Drinking Water State Revolving Loan Funds. The States will distribute money in loans and grants to local water utilities.

When I turn on the faucet, water comes out; isn't the concern about water infrastructure overblown?

It takes a lot of work to make sure water coming out of faucet is clean and that it isn't lost through leaky and corroded pipes.

The American Society of Civil Engineers gives America's water and wastewater systems a D-, the lowest grade of any infrastructure category. According to EPA, approximately 240,000 water main breaks occur each year, resulting in disruptions in service and threats to public health across the country. In addition, while water supplies in many parts of the country, but particularly in the west, are under strain to meet rising water demand, the current system wastes huge amounts of water. EPA estimates that over 6 billion gallons of water a day are lost to leaking pipes. That is enough water to fill over 9,000 Olympic sized pools. Lined up end to end, those pools would reach from one end of Pennsylvania to the other. In less than 10 days the United States loses enough water to fill enough Olympic pools to allow you to swim across country from the Atlantic to the Pacific Oceans. Not only does this waste water, it also wastes energy. Water infrastructure uses 4% of the electricity in the country and is the largest energy cost for local governments

Does the water infrastructure crisis have an impact on public health?

The water infrastructure crisis has an enormous impact on public health. The Center for Disease Control estimates that there are over 1.3 million cases of waterborne disease each year, many due to poor infrastructure. In 2000, EPA estimated there were 23,000 to 75,000 sanitary sewer overflows in the U.S. These overflows discharged 3-10 billion gallons of untreated wastewater annually into local waterways. According to the EPA, an estimated 1.8 million to 3.5 million people get sick from recreational contact with sewage from sanitary sewage overflows every year. A separate study estimated that 627,800 to 1,479,200 gastrointestinal illnesses are caused by swimming in contaminated waters at 28 California beaches alone ever year. The EPA reports also show that 8.2 percent of the 48,271 community water systems in the United States that serve populations of less than 10,000 were in violation of health and safety standards for drinking water quality in 2003, affecting over 4 million people.

Will this Act increase my water rates?

This bill will protect ratepayers from unnecessary spikes in their water bills and reduce increases in future water rates.

Why did Congressman Blumenauer write the Water Protection and Reinvestment Act?

When our water mains are bursting and public health is at risk, we simply can't afford not to act.

By investing in America's water infrastructure, Rep. Blumenauer understands that we can protect public health and safety, save water, protect the environment and create hundreds of thousands of jobs in the process. In fact, a $10 billion annual fund, as proposed by the House bill, is estimated to create up to 270,000 jobs every year.

As Congressman Earl Blumenauer said, "we know things are critical when, based on current funding levels, it would take Oregon more than 62 years to meet our current wastewater needs. Establishing a steady funding source to rebuild and renew America's outdated water infrastructure is a concrete step that puts us on the path to a healthier, more secure future. As we look for ways to jumpstart our economy, the Water Protection and Reinvestment Act will create hundreds of thousands of jobs while protecting the health of people and the environment."

Detailed Analysis of Each Revenue Source:

Water Based Beverages

How It Would Work:

The Water Protection and Reinvestment Act would place a fee on the manufacture of glass, cans, plastic, and other containers of water based beverages five gallons in size or less. Water based beverages are defined as drinks that are water or are manufactured with water as a significant input. This would include soda but not juice, milk, or alcoholic beverages. The rate would be 4 cents per container sold by the manufacturer, but would add less than 4 cents to the cost of a bottled beverage.

Tapping Into a Secure Revenue Stream:

Each year about 200 billion containers of bottled beverages are sold in the United States, and Americans will pay more for bottled water than for gasoline. If the water used at home cost what even the least expensive bottled water costs, monthly water bills would run close to $9,000.

Paying Their Fair Share:

Bottled beverage manufacturers rely on clean and safe drinking water for their products, which are made either by extracting fresh water from the environment or bottling water from a municipal source. For example, about 40% of bottled water in the U.S. and Canada is sourced from municipal tap water. The rest is taken from groundwater and surface water, including waters that feed the Great Lakes. The Water Protection and Reinvestment Trust Fund would invest in clean water infrastructure to ensure that surface water quality is protected. It would also invest in drinking water infrastructure to ensure that municipal sources are clean and safe. It makes sense to assess a modest fee on an industry that extracts a great profit from using substantial quantities of fresh drinking water. Furthermore, the future of these companies depend on our ability to maintain the water supplies that they need.

Environmental Impacts of Bottled Beverages:

A per-container tax would provide consumers with an incentive to reduce the amount of beverage containers they purchase, which would have environmental benefits. Bottled beverages can cause environmental harm:

- *Waste:* Although many beverage containers are recyclable, they often end up in landfills. About 215 billion plastic, glass and aluminum beverage bottles and cans were sold in the U.S. in 2006, and 66% were not recycled. Some beverage containers can take up to 1,000 years to biodegrade. Almost 40 percent of the polyethylene terephthalate (PET) bottles, which are derived from crude oil, were deposited for recycling in the United States in 2004 were actually exported, sometimes to as far away as China.

- *Energy use:* The packaging of beverages can be highly energy intensive and use enormous amounts of fossil fuels, such as polyethylene terephthalate (PET) bottles. Making bottles to simply meet Americans' demand for bottled water requires more than 17 million barrels of oil annually. Transportation is also a major factor in energy use associated with bottled beverages. For example, annual transportation of bottled water burns 500,000 gallons of oil, or enough to power more than 80,000 homes a year.

- *Water use:* In addition to using water for the beverage itself, the creation of the container takes a great deal of water. According to some estimates, making a plastic bottle takes twice as much water as what actually fits inside the bottle.

- *Water Quality:* Health standards for tap water are higher than for bottled water. While the Environmental Protection Agency regulates tap water, requiring multiple daily tests for bacteria and making those results available to the public, bottled beverages are regulated by the Food and Drug Administration. The weaker FDA regulations, which require testing only once a week, don't even apply to some of the bottled beverages sold in the US. A recent study by the Environmental Working Group found that 10 popular brands of bottled water contained 38 chemical pollutants altogether, with an average of 8 contaminants in each brand. More than one-third of the chemicals found are not regulated in bottled water, and in some cases, the level of chemicals exceeded legal limits at the state level as well as industry-sponsored voluntary safety standards.

Water Disposal

How It Would Work:

The legislation would establish a fee of 3% of the wholesale price of products normally flushed and disposed of in sewer systems. These products include soaps and detergents, toiletries, toilet tissue, water softeners, and cooking oils. Because the fee would be assessed at the

manufacturer level, the price impacts to the consumer will be much smaller than 3%, because between manufacturing and retail sales, there can be several value-adding and/or price-adding steps in the value chain.

Paying Their Fair Share:

Products such as toilet paper, detergents, and toiletries make their way into the water stream, contributing to the physical and chemical treatment burden faced by sewage treatment facilities. It makes sense for this industry, which relies entirely on our nation's wastewater treatment facilities, to bear some of the costs of keeping it functioning. In addition to treatment issues, some of these products introduce pollutants into the waste stream. For example, some detergents contain phosphorus, a nutrient that in excessive quantities can lead to growth of algae in surface waters. The USGS has detected household chemicals found in detergents, soaps, and cosmetics in streams that received discharge from wastewater treatment plants. In addition to causing environmental damage, cooking oil causes pipe blockages.

Putting a small tax on these products is an equitable way of raising revenue for the trust fund because it is a way of taxing everyone who uses water infrastructure.

Pharmaceuticals

How It Would Work:

The legislation would place a fee of 0.5% of the wholesale price of any pharmaceutical sold. The total wholesale value of pharmaceuticals in the U.S. is approximately $ 156 billion. The fee would be collected from the manufacturer or importer. Even if the pharmaceutical industry chose to pass this fee along to consumers, it would barely raise drug prices. Pharmaceutical retail sales in the US were $314 billion in 2007, about double the wholesale price. This means that the tax would increase drug prices by less than .25% or an increase of 25 cents to a $100 prescription.

Environmental Impact of Pharmaceuticals:

Pharmaceutical residues found in our nation's water bodies are an increasing concern for clean and drinking water utilities and public health providers. Pharmaceuticals end up in water because our bodies don't absorb the entire dose and because they are often not disposed of properly. In addition, high amounts of pharmaceuticals like antibiotics are used by the agriculture industry in industrial farming, much of which ends up in the water.

Concerns over adverse effects involve both human and environmental considerations. Drugs are purposefully designed to interact with the human body at low concentrations and to elicit specific biological effects. Unintended adverse effects can also occur from interaction with people for whom the drugs were not prescribed such as when drugs given to adults are found in drinking water used by children. There is potential for increased antibiotic resistance in bacteria from residual antibiotics and their metabolites.

Effects on aquatic life are another major concern. Exposure risks for aquatic organisms are much larger than those for humans since aquatic organisms live in the same untreated contaminated water for their whole lives over multiple generations. Synthetic hormones can act as endocrine disruptors by mimicking or blocking hormones and disrupting the body's normal functions and more than 200 species -- aquatic and terrestrial -- are known or suspected to have experienced adverse reactions to endocrine disruptors. For example, many of the impacts of steroidal estrogen exposure are emerging in the form of male fish with not only lower sperm counts and damaged sperm but feminized characteristics such as egg yolk proteins typically made only by females or producing both sperm and eggs. Female fish have also developed male genital organs, and sex ratios in many studies appear to be skewed.

Impact of Pharmaceuticals on Water Infrastructure:

Water professionals are researching the effectiveness of current treatment techniques on removal of pharmaceuticals. Because of the wide array of chemical structures and properties associated with them, no one single treatment can remove them all. The pharmaceutical industry should bear some of the burden of removing these pollutants from our water. The trust fund will finance a "drug take back" program to reduce the amount of pharmaceuticals in our water systems and will fund research into remediation strategies.

Corporate Profits

How It Would Work:

The legislation would establish a “Clean Water Restoration Tax” of 0.15% on corporate profits over $4 million.

Precedent for a Broad-based Corporate Fee

This revenue source follows a similar rationale to the original Corporate Environmental Income Tax (CEIT), enacted as one component of funding for the Superfund Trust Fund more than a decade ago. That fee, which was assessed as a percentage of corporate alternative minimum taxable income above $2 million, was intended to create the broadest possible base of corporate funding by raising funds from a wide range of companies that may have used and disposed of hazardous substances.

No Fees on Small Businesses

Because the tax is based on a corporation’s “alternative taxable income,” which is a broader base than regular corporate income (that is, it includes many “tax preference items” that are excluded from the calculation of regular taxable income), it is more fair than a straight surtax on corporate income. The tax applies only above a minimum threshold designed to exclude small businesses from taxation.

Paying Their Fair Share

The rationale for creating a similar new revenue source for the water trust fund is based on the public goods nature of clean water and the very strong relationship that water infrastructure bears to clean water and safe drinking water. Since wastewater treatment delivers clean water benefits to virtually all waterways of the nation and these benefits are openly available to all Americans to enjoy, all America corporations should help pay for them as corporate citizens. Similarly, all Americans and all corporations benefit from safe drinking water. This is similar to the argument used to finance other types of government-supplied public goods.

The Clean Water Restoration Tax recreates a well-established mechanism to ensure a broad-based corporate contribution to address environmental problems that result, in part, from general business activity. Reinstating this fee and applying it to water pollution problems is an appropriate recognition of the priority that should be given to those problems.

Columns and Op-Eds:

Congressman Blumenauer's Letter to the Editor re: New York Times series on improving water quality